BRITISH COLUMBIA

BC STATS Infoline

Issue: 97-21 5 Pages
May 23, 1997

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highlights

a weekly digest of recently released British Columbia statistics

Business and Economics

- **British Columbia's manufacturing sector continued to show signs of improvement in March.** Manufacturing shipments were up 1.5% (seasonally adjusted) over the previous month, bringing the total for the first quarter to 2.1% higher than in the fourth quarter of 1996. A major factor in the recovery was an improvement in the forest sector, with both wood (+3.2%) and paper (+4.9%) manufacturing showing relatively strong growth in the first quarter. However, food shipments were down 4.1%, and as a result, shipments of non-durables rose only 0.9%. Durable goods shipments were up 3.1%, reflecting the strength in the wood industry. *Source: Statistics Canada*

- **BC's 2.1% increase in shipments during the first quarter was below the national average (3.3%).** The province continued to lag behind Ontario (+5.5%) and the rest of western Canada. Shipments rose 3.3% in Alberta, 3.6% in Manitoba and 7.6% in Saskatchewan. PEI (+6.2%) was the only other province where shipments increased in the first quarter. *Source: Statistics Canada*

- **Retail sales in BC edged down in March, falling 0.4% (seasonally adjusted).** Sales were also down at the national level (-0.8%), reflecting weakness in BC, Saskatchewan (-3.2%), Quebec (-3.8%), New Brunswick (-1.2%) and Nova Scotia (-0.1%). *Source: Statistics Canada*

- **On a quarterly basis, retail sales in BC were up 3.6% from the fourth quarter of last year.** The increase was the third highest in the country. Only Alberta and NWT (both at 4.6%) recorded stronger growth in retail sales during the first three months of 1997. Nationally, sales were up 1.8% as eight of the twelve regions posted gains.

  BC's growth was the result of relatively strong gains in sales by clothing, furniture and appliance, service stations, and auto parts and accessories stores. Sales by food stores (other than supermarkets) surged ahead, increasing by more than a third between the first quarter of 1996 and the same period this year. *Source: Statistics Canada*

- **Wholesale sales in the province dropped sharply in March, falling to 8.1% (seasonally adjusted) below the February level.** While sales were down in most parts of the country, BC's 8.1% decline was the largest in Canada. Nationally, wholesale sales declined 2.7% as sales of motor vehicles and parts, farm machinery, and lumber and building materials weakened after posting strong growth in the previous month.

  Despite the decline, stronger wholesale sales in the first two months of the year brought first quarter growth up to 3.9%. The first quarter increase was above the national average (3.4%) and the second highest in the country, after Alberta (7.7%). *Source: Statistics Canada*

- **The value of BC product exports continued to improve in March, increasing 11.0% over the level twelve months previously**. PEI (33.3%) and Alberta (14.6%) were the only provinces where exports increased more than in BC. Nationally, exports were up 8.2%, as exports rose in seven provinces. Nova Scotia (-10.6%), Manitoba (-5.9%) and New Bruns-

Report **Jobs! Jobs! Jobs! Is work-sharing the solution?**

Did you know...

Our obsession with Big Macs continues. According to the Union Bank of Switzerland, residents of Montreal had to work an average of 21 minutes to pay for a Big Mac and a large order of fries in 1994. That's one minute more than it took Torontonians to earn enough to pay for their dinner. The cheapest Big Macs were in Chicago (14 minutes). A hamburger and fries were luxury items in Lagos, where residents had to work almost two full days (683 minutes) to pay for them.

wick (-3.5%) were the only provinces where exports declined.

- **During the first three months of 1997, exports of BC products increased 14.7%, almost double the national average (8.3%).** This was the first quarterly increase in exports since 1995. BC's international sales of all commodities improved. The strongest gains were in the energy (53.7%) and industrial goods (30.1%) sectors. Exports of forest products also increased, but at a more moderate rate, growing 5.5% between the first quarter of 1996 and the same period this year. *Source: Statistics Canada*

Census of Agriculture

- **Since 1971, the amount of paid labour in the BC agriculture industry has more than doubled to total 712,749 weeks in 1996**. The amount of paid labour as reported by census farms, increased 23% between 1991 and 1996. Year round weeks of labour increased by 41%, as compared to increases of 5% for seasonal labour. *Source: Statistics Canada*

Health

- **The total number of reported AIDS cases in British Columbia since 1983 was 2,413.** In 1996, 95 people were diagnosed, this was the lowest level since 1985. The number of diagnosed AIDS cases reached a peak in 1992 and 1993 with 290 people diagnosed. The rate of AIDS diagnosed cases per 100,000 population in 1996 was 2.5.

Source:Ministry of Health, BC Centre for Disease Control

Social Trends

- **Two-thirds of Canadian workers prefer their current work hours for the same pay.** Twenty-seven percent would rather work more hours for more pay. Workers who wanted more hours were generally young, had little seniority, were employed in sales or clerical occupations and worked in part-time or temporary jobs.

  The six percent of workers wanting a shorter work week with less pay were well educated, had long job tenure and already worked in permanent jobs with long hours. They could generally afford to reduce the working time without jeopardizing their standard of living. In addition, married women with young children also preferred shorter work hours.

  Source: Statistics Canada

Family

- **The cost of raising one child to eighteen years of age is roughly $160,000.** Figures are based on current dollar estimates and regular priced new items, and do not include rates of inflation. To feed a boy to eighteen years of age costs approximately $29,000 (as compared to $26,000 for girls), although clothing for a girl costs $16,500 (for boys it was $15,000).

  Source: Manitoba Agriculture Home Econommics Section

highlights, Issue 97-21
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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

Infoline Report:

May 23, 1997

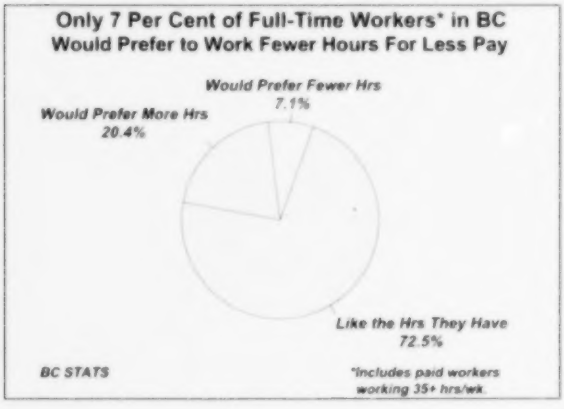
Work Sharing - Might this be a solution for BC's high unemployment rate?

Reprinted from the January 1997 issue of *Earnings & Employment Trends*. An annual subscription is $60 + GST.

Since the 1980's, most industrialized economies have experienced a ratcheting up of unemployment rates. Some economists see this as the beginning of an era of "technological unemployment", a time when there will not be enough work to go around unless some significant changes are implemented in the way work is allocated amongst the workforce. Many advocate "work sharing" as a remedy to this problem.

"Work Sharing" is described as an arrangement where all workers in an organization (which could be as small as a branch of a company, or as wide-spread as an entire union or sector), work fewer hours to avoid layoffs. The theory is that if full-time workers, worked a few less hours per week and took a corresponding (or at least partial) reduction in pay, more people would be hired to meet the existing labour demand and unemployment would decrease.

The acceptance of such a policy is based on the assumption that as incomes rise, some workers would be more than willing to give up a small percentage of their take-home pay in exchange for a few more leisure hours each month.


Only 7 Per Cent of Full-Time Workers* in BC Would Prefer to Work Fewer Hours For Less Pay
Would Prefer Fewer Hrs
7.1%
Would Prefer More Hrs
20.4%
Like the Hrs They Have
72.5%
BC STATS
*includes paid workers working 35+ hrs/wk.

From the Statistics Canada Survey of Work Arrangements, conducted in 1995, the question was posed to the employed as to whether they would be willing to work fewer hours each week for a corresponding drop in pay. In BC, only 7 per cent, or one of every fourteen full-time paid workers, said they would voluntarily give up part of their job. This represents 70,000 persons.

To put these numbers in context, if these 70,000 persons "shared" 5 hours per week with the unemployed (worked 1 hour less per day), then 10,000 fewer persons would be unemployed (assuming they would work a 35 hour week). This would have the impact of reducing the unemployment rate by approximately 0.5 of a percentage point — in 1996, the unemployment rate would have been 8.4 instead of 9.0 per cent.

Who are these persons who would prefer to work fewer hours for less pay?

- 9 per cent of **women** want to reduce their hours compared to 6 per cent of men;
- persons employed in the **public sector**, specifically the education, health and public administrative sectors, the data show 12 per cent would like fewer hours compared to 5 per cent in the other sectors;
- those who **earn $1,000 or more per week**, 9 per cent would choose a shorter week compared to 6 per cent for those who earn less than $1,000 per week;
- 9 per cent **of union members** compared to 6 per cent of non-union members would opt for the shorter work week;

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- in general, the more hours people work, the more inclined they are to want to reduce their hours – 11 per cent of **workers who work more than 40 hours per week** would accept less money in lieu of more time off, compared to only 6 per cent of those working 35 to 40 hour weeks;
- 13 per cent of all **persons with a university degree** wish to work less hours, compared to only 5 per cent without.

For any kind of work-sharing plan to be successful there would have to be appropriately skilled unemployed workers available to fill-in. The fact that highly skilled workers are most likely to participate in a work-sharing program and, on the other side, the unemployed are most likely to be the lesser skilled, (two-thirds of those wishing fewer hours are college or university graduates, while only one-third of the unemployed are of the same education level), the matching of skills may be a problem.

Even if there were adequate numbers of workers wishing to work-share, matched by an adequately skilled unemployment pool, there still remain significant institutional barriers that hinder the introduction of work-sharing. The principal problem is for the employer, who faces overhead costs for each additional employee hired, be it through payroll taxes such as UIC or WCB, or fringe benefit costs such as pension or health care plans. For the employer, it is less costly to hire as few workers as possible to get the job done, at least to the point where overtime costs (wage premiums or disgruntled, tired/inefficient workers) do not exceed the fixed costs of additional employees.

Infoline

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BC at a glance . . .

POPULATION (thousands)	Jan 1/97	% change on year ago
BC	3,902.5	2.2
Canada	30,135.9	1.1
GROSS DOMESTIC PRODUCT		% change
(BC - at market prices - $ millions)	1996	on year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Mar	2,884	11.5
Merchandise Exports (raw) Mar	2,356	11.0
Retail Sales (seasonally adjusted) Mar	2,691	3.3
CONSUMER PRICE INDEX		% change
(all items - 1986=100)	Apr '97	on year ago
BC	139.4	0.6
Canada	137.6	1.7
LABOUR FORCE (thousands)		% change
(seasonally adjusted)	Apr '97	on year ago
Labour Force - BC	2,005	2.1
Employed - BC	1,824	1.4
Unemployed - BC	182	10.0
		Apr '96
Unemployment Rate - BC *(percent)*	9.1	8.4
Unemployment Rate - Canada *(percent)*	9.6	9.5
INTEREST RATES (percent)	May 21/97	May 22/96
Prime Business Rate	4.75	6.50
Conventional Mortgages - 1 year	5.40	6.50
- 5 year	7.50	8.50
US/CANADA EXCHANGE RATE	May 21/97	May 22/96
(avg. noon spot rate) Cdn $	1.3669	1.3722
US $ *(reciprocal of above rate)*	0.7316	0.7288
AVERAGE WEEKLY EARNINGS		% change
(industrial aggregate - dollars)	Feb '97	on year ago
BC	611.38	2.8
Canada	596.36	3.6

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Review

Released this week by BC STATS

- Exports (BC Origin), February 1997

Next week

- Business Indicators, May 1997
- Current Statistics, May 1997

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